

29 MAY 1980

MEMORANDUM FOR: See Distribution

VIA: Director of Logistics

FROM:   
Chief, Procurement Division, OL

SUBJECT: Renewal or Cancellation of FY 1980 Service  
Contracts for FY 1981

1. Attached hereto is a listing of service contracts currently in effect for your office. These contracts will expire on or before 30 September 1980 and, in order to have new contracts ready for mailing to the contractors as soon as funds are made available, it is requested that you review the list and provide renewal or cancellation instructions as soon as possible, but not later than 7 July 1980. If you do intend to renew your contracts, your instructions should also indicate whether or not you desire this office to include a clause in the FY 81 contract setting forth an option to renew for a one (1) or two (2) year period beyond 30 September 1981.

2. To the extent possible, each office should consolidate its renewal and cancellation requests and forward this information in one transmittal to Procurement Division, OL (PD/OL), . A memorandum listing contracts not to be renewed will suffice. For each contract to be renewed, please submit an advance copy of a Form 2420, Request for Procurement Services, marked with the current FY 80 contract number. This action will certify that funds are earmarked in the component's FY 81 budget to satisfy the requirement. A second Form 2420 must be forwarded, certifying that funds are available, prior to the issuance of a FY 81 contract award.

3. For each contract to be renewed on a sole source basis, a sole source justification must be submitted. Attached hereto for your information is a copy of Headquarters Notice  which contains guidance from the DDCI on the requirement for sole source justification.

OL 0-2455

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4. Your cooperation in this matter will greatly assist this Division in its efforts to have all FY 81 service contracts in being at the earliest practicable date.



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This Notice Expires 1 July 1979

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31 May 1978

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## PROCUREMENT POLICY

1. All Federal Government procurement of supplies and services is accomplished by either formal advertising or negotiation. While formal advertising, under present procurement law, is generally preferred, the requirement of that method of procurement for broad dissemination of information is inconsistent with this Agency's statutory requirement to protect sources and methods and the sensitivity associated with even our unclassified contracts. CIA accordingly relies almost entirely on negotiation in the acquisition of supplies and services. Recognizing this fact, it is still the responsibility and function of the procurement process to acquire necessary supplies and services by the competitive process when possible.

2. The DCI and I are committed to this principle of competition, and I request that each of you involved in the procurement planning for your respective areas ensure to whatever extent necessary that maximum competition is obtained on all of your procurements.

3. While we must maintain the principle of competition, I recognize that there are situations in which only a single source will meet all the requirements. An example of such a situation is the case where only one supplier can meet our delivery requirements. In this situation, it must be demonstrable that the delivery requirement relates to operational requirements and has not been artificially established to exclude competition. There may be other situations in which equipment to be purchased must be used in conjunction with existing equipment and must be the same brand to be compatible. Other examples include those cases where a sole supplier holds proprietary or patent rights to the only equipment which will meet our requirement.

4. In all cases, our reasons for procuring on a sole-source basis must be clearly stated, included in official contract files, and supportable in terms of operational requirements to satisfy legal requirements. Questions on whether a particular procurement can be accomplished without competition should be referred at the earliest possible time to the contracting officer for determination, since the ultimate decision on the source selection rests with him.

5. The DCI has established procurement policy for the intelligence community through issuance of [ ] which is attached. To ensure compliance with this policy, each of you must be mindful that sole-source procurement is the exception and is to be considered only under the most stringent circumstances and with thorough justification.

[ ]

Frank C. Carrucci  
Deputy Director of Central Intelligence

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29 MAY 1980

PROCUREMENT DIVISION NOTICE NO. 80-8

FROM:

Chief, Procurement Division, OL

SUBJECT: Renewal or Cancellation of FY 1980 Service Contracts

REFERENCE: Memo to Offices dtd 29 May 80, Same subj  
(OL 0-2455)

1. The purpose of this Notice is to establish a systematic approach for the renewal of non-personal service contracts. The referent notifies Offices that their intention to renew service contracts must be received in PD/OL by 7 July 1980, if we are to undertake an orderly and expeditious procurement process.

2. The Deputy Chief, P&SCB/PD/OL is assigned responsibility for managing the coordination and follow-up of this effort. He will receive all responses from Requiring Offices for checkoff against the master CONIF FY 1980 Service Contract report. He will forward the advance 2420's to the appropriate Branches for action. He will provide a status report to Chief, PD/OL on or before 11 July 1980. The report will identify contracts, by Office, for which notification has not been received. He will undertake a follow-up action to insure that such contracts are to be either cancelled or renewed.



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OL/PD/  (29 May 80)